



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 9
AGENDA DATE: Thu 03/25/2004
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SUBJECT: Approve the negotiation and execution of an agreement with PB Austin Ridge L.L.C. and MF Austin Ridge L.L.C. to release the lien held by Travis County Health Facilities Development Corporation and the City on property located at 8509 FM 969 (formerly known as Vision Village) in exchange for PB Austin Ridge L.L.C. and MF Austin Ridge L.L.C.'s agreement to: provide office space for Travis County and the City in the Family Justice Center (which is located on the property and commonly known as the hospital building), including an option for the City to purchase the building; grant the City a trail easement and restrictive covenant on the land; contribute land and a building for the Center for Child Protection; and assist the City and other agencies and non-profit organizations in preparing grant proposals related to the Family Justice Center.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Law
DEPARTMENT:

DIRECTOR'S
AUTHORIZATION: John Steiner

FOR MORE INFORMATION CONTACT: Jim Williams, Assistant City Attorney / 974-2190

PRIOR COUNCIL ACTION: Executive Session on March 11, 2004

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

The City entered into a \$1,250,000 loan agreement with Vision Village, Inc. on May 30, 1997 to finance the acquisition of the Travis State School property at 8509 FM 969. The loan was funded with HUD Community development Block Grant Funds. In addition the Travis County Health Facilities Development Corporation loaned Vision Village, Inc. \$200,000. Both loans are secured by a second lien on the property. The agreement is in default and the City has reimbursed its HUD letter of credit with non-federal Housing Trust Fund amounts. The reimbursed funds are available for use under the City's Community Development Program.

PB Austin Ridge LLC and MF Austin Ridge (Owners) acquired the property in June 2003. The Owners are requesting the City of Austin and the Travis County Health Facilities Development Corporation release their second lien on the property in exchange for Owner's agreement to provide office space for Travis County and the City in the Family Justice Center (which is located on the property and commonly known as the hospital building) with an option for the City to purchase the building, grant the City a trail easement and restrictive covenant on the land, contribute land and a building for the Center for Child Protection, and assist the City and other agencies and non-profit organizations prepare grant proposals related to the Family Justice Center.

The agreement allows the City and County to enter into a five-year lease agreement with two options to



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extend the leases for up five additional years, for a total lease term of fifteen years. In addition the City lease gives the City the option to purchase the Family Justice Center building following the end of the fifth, tenth and fifteenth year of the lease. Both the lease and purchase price are arrived at based on an appraisal methodology which will ensure that the price is a current fair market value.

In addition the Owner has agreed to transfer prior to release of the City and County lien a trail system easement that will allow the public access from the Austin Ridge (formerly known as Vision Village) property to the City parkland which is south and east of the Austin Ridge site. In addition the Owners will impress the Austin Ridge property with a restrictive covenant which will run with the land and prohibit any development on the slope on the south and east side of the property. In addition the restrictions will require building height restrictions as well as set-backs on the bluff over-looking the City park property.

The lien release is also contingent on the Center for Child Protection, a local non-profit corporation, entering into an agreement with the Owners which provides for a donation of land and a building on the property to the non-profit. The Owner also has agreed to provide renderings of the Family Justice Center for the purpose of submitting various grant proposals.

Travis County Health Facilities Development Corporation has scheduled action on the release at their March 30, 2004 meeting.